

**REMARKS**

In the Office Action dated December 24, 2003, the Examiner rejected pending claims 1-9 under 35 U.S.C. § 103(a) as obvious over U.S. Patent No. 5,926,796 to *Walker et al.* in view of U.S. Patent No. 5,543,607 to *Watanabe et al.*

By the present Amendment, Applicants have canceled claims 3 and 6, without prejudice or disclaimer of the subject matter thereof and amended claims 1, 2, 4, and 7. More specifically, claims 1 and 7 have been amended to incorporate subject matter recited in claims 3 and 6, and claims 2 and 4 have been amended to correct typographical errors. Applicants respectfully traverse the Examiner's rejection of claims 1-9 under 35 U.S.C. § 103(a), and submit that currently pending claims 1, 2, 4, 5, and 7-9 are allowable over the cited references for at least the following reasons.

To establish a prima facie case of obviousness under 35 U.S.C. § 103(a), the references, taken alone or combined, must teach or suggest each and every element recited in the claims. (M.P.E.P. § 2143.03 (8<sup>th</sup> ed. 2001, Revised February 2003). *Walker* and *Watanabe* fail to teach or suggest all of the elements recited in present claims 1, 2, 4, 5, and 7-9. Claim 1, for example, is not obvious over *Walker* and *Watanabe* because the applied references, taken alone or in combination, at least fail to teach or suggest the claimed method including the step of "automatically debiting a customer account for a purchase corresponding to said information inputted by the customer after said merchandise have been delivered, provided said customer does not cancel future delivery of said merchandise", as recited in amended claim 1.

As noted above, claim 1, as amended, incorporates subject of claim 6, which has been cancelled. In particular, amended claim 1 recites a step of automatically debiting a customer account for a purchase ... after the merchandise has been delivered, provided the customer does not cancel future delivery of the merchandise. In the Office Action, the Examiner rejected claim 6, asserting that the claimed automatic debiting is "inherent" allegedly because the reference teaches at col. 12, lines 6-53 debiting the account of issues-owed by one issue after each additional issue is delivered (see Office Action at page 5). The cited portion of *Walker* discloses acceptance of subscriber information and entering such information into a subscriber database (col. 12, lines 6-14); a fulfillment process in which, among other things, processing of subscriptions in which a determination is made as to whether a single issue has been delivered and, if not, a subscription database is instructed to deliver a normal number of issues less one issue (col. 12, lines 15-32); and payment collection by a cashier at a POS terminal and subsequent distribution of such funds (e.g., "a cashier at a POS terminal collects payment", "the retailer retains a percentage and ... remits the balance of the payment to retail subscription system 130") (see col. 12, lines 33-54 and lines 38-39 and 42-47 in particular). Thus, if anything, the cited portion of *Walker* only discloses *manual* collection of funds and subsequent distribution of such funds, but is silent as to customer account debiting of such funds in the first place, and certainly *automatic* debiting of such funds. Thus, automatic debiting of a customer account, as recited in amended claim 1 cannot be inherent in nor suggested by the cited teachings of *Walker*.

Watanabe et al. is also silent as to the claimed step of automatically debiting a customer account. Apparently, the Examiner acknowledges as much by not relying on this reference for such teachings. Accordingly, neither reference teaches or suggests the step of automatically debiting as recited in amended claim 1, and claim 1 is therefore distinguishable over the Examiner's proposed combination of Walker et al. and Watanabe et al.

Present claim 7 also recites automatically debiting a customer account for a purchase, provided the customer does not cancel future delivery of the merchandise, and is therefore similar to present claim 1 in this respect. Accordingly, claim 7 is also distinguishable over the applied references at least for reasons discussed above with respect to amended claim 1.

In light of the above-described deficiencies of both Walker et al. and Watanabe et al., Applicants respectfully submit that claims 1 and 7 are allowable over the applied references. In addition, claims 2, 4, and 5 are allowable at least due to their dependence from amended claim 1, and claims 8 and 9 are allowable at least due to their dependence from amended claim 7.

PATENT  
Customer No. 22,852  
Application No.: 09/473,649  
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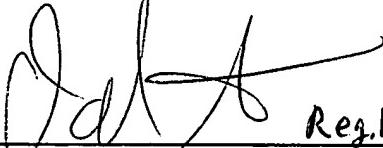
In view of the foregoing remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of pending claims 1, 2, 4, 5, and 7-9.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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